

II. REMARKS

A. Status of the Claims

Claims 1-32 will be pending after entry of this amendment. Claims 1-2, 4-6, 9-10, 12-14, 17-18, 20-23 and 25 have been amended without prejudice. Support for these amendments can be found at least at paragraphs [031]-[033] of the present application, as filed. Applicants submit that no new matter has been added by virtue of this amendment.

B. Rejection of Claims under 35 U.S.C. § 103(a)

Claims 1-5, 7-13, 15-21, 23-29, 31 and 32 currently stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent 6,321,212 (hereinafter “Lange”) in view of Non-Patent Publication “A Comparative Analysis of Current Credit Risk Models.” (hereinafter “Crouhy”). Claims 6, 14, 22 and 30 currently stand rejected under 35 U.S.C. §103(a) as being unpatentable over Lange in view of Crouhy further in view of Official Notice.

With respect to the currently pending claims, this rejection is traversed. Applicants submit that Lange in view of Crouhy further in view of Official Notice fails to obviate the methods and systems of the present application. Pursuant to MPEP § 2142, to establish a *prima facie* case of obviousness, and thus sustain the rejection of a claim under 35 U.S.C. § 103(a), there must be a clear articulation of the reasons why Applicants’ claimed invention would have been obvious. *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). The Supreme Court in *KSR* has further noted that an analysis supporting a rejection under 35 U.S.C. § 103(a) should be made explicit. Therefore, an obviousness rejection “cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006).

Contrary to the Examiner's assertions, Applicants maintain and respectfully submit that Lange and Crouhy, whether viewed independently or in combination, fail to establish a *prima facie* showing of obviousness. However, without conceding the propriety of the rejections, and solely to advance prosecution of the claimed invention, Applicants have proposed the following limitations recited in said amended independent claim 1:

“simulating the transition of the first bond between the starting bucket and at least one of the plurality of price buckets using the first bucket transition distribution; thereby producing a plurality of simulated attributes.”

Applicants respectfully submit that Lange fails to obviate the limitation of “simulating the transition of the first bond between the starting bucket and at least one of the plurality of price buckets using the first bucket transition distribution; thereby producing a plurality of simulated attributes,” as provided for in amended claim 1. Lange only mentions that credit rating distribution information is relied upon by traders to hedge (*See Lange col. 49, lines 41-46.*), but does not describe the use of credit rating information to perform a simulation, or produce simulated attributes based on such simulation. As a result, Lang fails to make obvious all of the limitations of amended claim 1.

The Examiner states that Crouhy “teaches and compares various credit risk analysis models and Credit Value-At Risk methodologies which are used to assess regulatory capital related to both general market risk and credit risk trading books.” *Office Action pg. 3.* However, the Crouhy fails for describe how these models or methodologies are utilized to perform a simulation, or produce simulated attributes based on such simulation, as provided for in amended claim 1.

Finally, the deficiencies above with respect to Lange and Crouhy are not cured by the Official Notice taken by the Examiner, which is directed solely at determining the cumulative frequency distribution of a variable.

In view of Applicants' foregoing remarks, amended independent claims 1, 9, 17 and 25 and claims 2-8, 10-16, 18-24, and 26-29 which depend therefrom are not obvious over Lange, Crouhy, and the Official Notice whether taken independently or in combination. Accordingly, Applicants respectfully request that Examiner's rejections under 35 U.S.C. § 103(a) be withdrawn.

Conclusion

For at least the reasons set forth above, this patent application, as amended, is now in condition for allowance. Reconsideration and prompt allowance of this patent application are respectfully requested.

If it will advance the prosecution of this patent application, the Examiner is urged to telephone (973.597.6326) Applicants' undersigned representative. All written communications should continue to be sent to the address provided below.

Respectfully submitted,

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